

**Exhibit "A"**

Form <b>886A</b>	Department of the Treasury Internal Revenue Service	Schedule No. or Exhibit
<b>Explanation of Items</b>		
Name of Taxpayer & Employer Identification Number Green Jacobson PC		Year/Period Ended 12/31/2015

**Issues:**

Did Green Jacobson PC fail to file and fail to furnish forms 1099 for reportable payments made for services in 2015?

Did Green Jacobson PC fail to backup withhold from reportable payments made for services in 2015?

**Facts:**

Green Jacobson PC law firm operating out of St. Louis, MO. It went out of business in 2015.

Green Jacobson PC made payments for legal and accounting services.

<b>2015</b>	
Anthony Musken	33,000
Blitz, Bardgett & Deutsh	28,996.90
CBIZ MHM	1,115
Desai Eggman Mason LLC	65,484
Law Office of Michael Gross	100,000
PACER Seneca Center	862.40
Wolters Kluwer	1,410.15
<b>Total</b>	<b>\$ 230,868.45</b>

None of these payees are corporate entities per the Minnesota Secretary of State or if they were corporate entities then the payees received payments for legal or accounting services.

Green Jacobson PC did not obtain the taxpayer identification number from any of the payees listed above at the time reportable payments were made. The Forms W-9 were requested and the trustee said that they did not have those forms.

Green Jacobson PC did not file Forms 1099 for any of the payees listed above in 2015.

Green Jacobson PC did not file a Form 945 for 2015.

**Applicable Law:**

IRC §3406. Backup withholding

(a) Requirement to deduct and withhold

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**Explanation of Items****Name of Taxpayer & Employer Identification Number**  
Green Jacobson PC**Year/Period Ended**  
12/31/2015**(1) In general**

In the case of any reportable payment, if -

(A) the payee fails to furnish his TIN to the payor in the manner required,

(B) the Secretary notifies the payor that the TIN furnished by the payee is incorrect,

(C) there has been a notified payee underreporting described in subsection (c), or

(D) there has been a payee certification failure described in subsection (d),

then the payor shall deduct and withhold from such payment a tax equal to the product of the fourth lowest rate of tax applicable under section 1(c) and such payment.

IRC § 3402(d) provides that if an employer, in violation of the provisions of this chapter, fails to deduct and withhold the tax under this chapter, and thereafter the tax against which such tax may be credited is paid, the tax so required to be deducted and withheld shall not be collected from the employer; but his subsection shall in no case relieve the employer from liability for any penalties or additions to the tax otherwise applicable in respect of such failure to deduct and withhold.

For information return penalties required to be filed on 12/31/2010 or before-

- **IRC § 6721.** Failure to file correct information returns. (a) Imposition of penalty. (1) In general. In the case of a failure described in paragraph (2) by any person with respect to an information return, such person shall pay a penalty of \$50 for each return with respect to which such a failure occurs, but the total amount imposed on such person for all such failures during any calendar year shall not exceed \$ 250,000. (2) Failures subject to penalty. For purposes of paragraph (1), the failures described in this paragraph are-- (A) any failure to file an information return with the Secretary on or before the required filing date, and (B) any failure to include all of the information required to be shown on the return or the inclusion of incorrect information.

For information return penalties required to be filed on 1/1/2011 or after-

- **IRC § 6721.** Failure to file correct information returns. (a) Imposition of penalty. (1) In general. In the case of a failure described in paragraph (2) by any person with respect to an information return, such person shall pay a penalty of \$10 for each return with respect to which such a failure occurs, but the total amount imposed on such person for all such failures during any calendar year shall not exceed \$ 1,500,000. (2) Failures subject to penalty. For purposes of paragraph (1), the failures described in this paragraph are-- (A) any failure to file an information return with the Secretary on or before the required filing date, and (B) any failure to include all of the information required to be shown on the return or the inclusion of incorrect information.

For information return penalties required to be filed on 12/31/2010 or before-

- **IRC § 6722.** Failure to furnish correct payee statements. (a) Imposition of penalty. (1) General rule. In the case of each failure described in paragraph (2) by any person with respect to a payee statement, such person shall pay a penalty of \$50 for each statement

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with respect to which such a failure occurs, but the total amount imposed on such person for all such failures during any calendar year shall not exceed \$ 250,000. (2) Failures subject to penalty. For purposes of paragraph (1), the failures described in this paragraph are-- (A) any failure to furnish a payee statement on or before the date prescribed therefore to the person to whom such statement is required to be furnished, and (B) any failure to include all of the information required to be shown on a payee statement or the inclusion of incorrect information.

For information return penalties required to be filed on 1/1/2011 or after-

- **IRC § 6722.** Failure to furnish correct payee statements. (a) Imposition of penalty. (1) General rule. In the case of each failure described in paragraph (2) by any person with respect to a payee statement, such person shall pay a penalty of \$100 for each statement with respect to which such a failure occurs, but the total amount imposed on such person for all such failures during any calendar year shall not exceed \$1,500,000. (2) Failures subject to penalty. For purposes of paragraph (1), the failures described in this paragraph are-- (A) any failure to furnish a payee statement on or before the date prescribed therefore to the person to whom such statement is required to be furnished, and (B) any failure to include all of the information required to be shown on a payee statement or the inclusion of incorrect information.

IRC §6651(a)(1) imposes a penalty in case of failure to file any return on the date prescribed therefore, unless it is shown that such failure is due to reasonable cause and not due to willful neglect. The Failure to File Penalty equals 5% per month not to exceed 25% in the aggregate.

IRC §6651(a)(2) imposes a penalty in case of failure to pay any amount in respect of any tax required to be shown on a return which is not shown within 21 calendar days from the date of notice and demand therefore, unless it is shown that such failure is due to reasonable cause and not due to willful neglect. The Failure to Pay Penalty equals 0.5% per month not to exceed 25% in the aggregate.

IRC §6651(a)(3) reduces the Failure to File Penalty by the amount of the Failure to Pay Penalty for any month in which both penalties apply (i.e. the Failure to File Penalty equals 4.5% for any month that the Failure to Pay Penalty is assessed).

#### **Taxpayer's Position:**

Unknown at this time.

#### **Analysis and Conclusion:**

The taxpayer failed to file and failed to furnish 7 information returns in 2015. The taxpayer however was unable to substantiate to examination that they had filed or furnished Forms 1099 to or for any of these payees listed above.

In the event that the taxpayer can substantiate that Forms 1099 were filed to the Internal Revenue Service and furnished to these payees timely, these penalties will be adjusted appropriately. Until such time, the following penalties are applicable:

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**Explanation of Items****Name of Taxpayer & Employer Identification Number**  
Green Jacobson PC**Year/Period Ended**  
12/31/2015

Forms 1099 for 2015 were due to be filed on or after 1/1/2016, therefore the penalties associated each failure is \$100.

2015					
	# of Failures		Penalty		Total
Failure to File	7	x	\$ 100.00	=	\$ 700.00
Failure to Furnish	7	x	\$ 100.00	=	\$ 700.00
Grand Total					\$ 1,400.00

The taxpayer also has failed to deduct and withhold backup withholding from the reportable payments made to the payees above; therefore, the taxpayer is liable for 28% in backup withholding taxes which is the fourth lowest rate of tax applicable under section 1(c).

The taxpayer also failed to file and failed to pay the tax listed on Forms 945 for 2015 associated with the taxpayer's failure to deduct and withhold backup withholding from the reportable payments made to the payees above.

For calculations in regards to the backup withholding taxes, see Forms 4668-B in the revenue agent report. For calculations in regards to the failure to file and failure to pay penalties assessed, see the penalty calculation sheets that follow the Forms 4668-B in the revenue agent report.

In the event the taxpayer provides fully executed Forms 4669 and 4670, the backup withholding tax that the taxpayer failed to withhold will be abated under IRC §3402(d). Please note that abatement of the backup withholding tax will not alter any interest or penalties proposed in the report.

In the event that the taxpayer can substantiate that Forms 1099 were filed to the Internal Revenue Service and furnished to any of these payees timely, the related back up withholding tax and the penalties related these taxes will be adjusted appropriately.

Date	Payee	Amt	Check #	Memo
2/18/2015	Anthony Musken	33000	1080	
<b>Total</b>		<b>\$ 33,000.00</b>		

Date	Payee	Amt	Check #	Memo
4/14/2015	Blitz, Bardgett & Deutsch	28,996.90	1089	
<b>Total</b>		<b>\$ 28,996.90</b>		

Date	Payee	Amt	Check #	Memo
4/1/2015	CBIZ MHM	1,115.00	1084	
<b>Total</b>		<b>\$ 1,115.00</b>		

Date	Payee	Amt	Check #	Memo
2/4/2015	Desai Eggman Mason LLC	2,100.00	1070	
3/3/2015	Desai Eggman Mason LLC	4,107.00	1083	
4/15/2015	Desai Eggman Mason LLC	21,000.00	1090	
4/15/2015	Desai Eggman Mason LLC	21,000.00	1090	
4/14/2015	Desai Eggman Mason LLC	11,959.50	1087	
2/27/2015	Desai Eggman Mason LLC	5,317.50	1082	
<b>Total</b>		<b>\$ 65,484.00</b>		

Date	Payee	Amt	Check #	Memo
1/26/2015	Law Office of Michael Gross	100,000.00	1062	retainer-SKMNv appeal
<b>Total</b>		<b>\$ 100,000.00</b>		

Date	Payee	Amt	Check #	Memo
2/4/2015	PACER Seneca Center	862.40	1069	
<b>Total</b>		<b>\$ 862.40</b>		

Date	Payee	Amt	Check #	Memo
2/4/2015	Wolters Kluwer	1,410.15	1067	
<b>Total</b>		<b>\$ 1,410.15</b>		

Department of the Treasury Internal Revenue Service




Form **2504**  
(February 2014)**Agreement to Assessment and Collection  
of Additional Tax and Acceptance of Overassessment  
(Excise or Employment Tax)**Date received by Internal  
Revenue Service

Taxpayer(s) name Green Jacobson PC		D/B/A		SSN/EIN
Address of taxpayer(s) (number, street) 8909 Ladue Rd		City/Town Saint Louis	State MO	ZIP code 63124

**Adjustment to Tax, Credits and Penalties**

Tax Period Ended	Return Form Number	Kind of Tax and Internal Revenue Code Section	Amount of Tax	Credit Increase (Decrease)	Penalty
2015	945	Backup W/H IRC 3406	64,643.17		20,362.60
<b>Total</b>			64,643.17		20,362.60

I consent to the immediate assessment (increase in tax and penalties and/or decrease in credits) and the collection of any such amounts. In addition, I accept any overassessment (decrease in tax and penalties and/or increase in credits) shown above. I also agree to any interest as provided by law.

Sign Here 	Date
Sign Here 	Date
Sign Here  By	Title
	Date

**Note:**

If you consent to the assessment of the amounts shown in this agreement, your signature will expedite our adjustment to your account. Your consent will not prevent you from filing a claim for refund (after you have paid the tax) if you later believe you are entitled to a refund. It will not prevent us from later determining, if necessary, that you owe additional tax; nor extend the time provided by law for either action.

**Who Must Sign**

If you are making this agreement for a partnership, all partners must sign. However, one partner may sign with appropriate evidence of authorization to act for the partnership.

For a corporation, enter the name of the corporation followed by the signature and title of the officer(s) authorized to sign.

For an agent or attorney acting under a power of attorney, a power of attorney must be sent with this form if not previously filed with us.

**Memo: Abatement amount under IRC 3402(d) and/or IRC 3102(f)(3) - See explanation on Form 4666**

Tax Period Ended	Return Form Number	IRC Code	Credit for Abatement	Tax Period Ended	Return Form Number	IRC Code	Credit for Abatement



Form **4666**  
(Rev. October 2010)Department of the Treasury - Internal Revenue Service  
**Summary of Employment Tax Examination**

Name and Address of Employer

Green Jacobson PC  
8909 Ladue Rd  
Saint Louis, MO 63124

Employer Identification Number

Date of Report

07/26/2017

Type of Report

☒ Delinquent tax  
(Return not filed)☐ Increase (Decrease) in tax  
(Return filed)☒ Agreed

(This report is subject to review and you will be notified by the Director when it is accepted)

☐ Unagreed

Following is a summary of the results of my examination of your returns as shown on the attached pages of this report.

Tax, Credits and Penalties							
a Calendar Year	b Return Form Number	c Delinquent Tax, Increase (Decrease) In Tax	d Increase (Decrease) in Allowed Credits	e Penalty		f Total Adjustment and Penalties (c-d+e)	g Page Number of Report
				Code Section	Amount		
2015	945	64,643.17		6651	20,362.60	85,005.77	2 to 5
Total		64,643.17			20,362.60	85,005.77	

## Other Information

This does not constitute an income tax examination

Form 2504, non-Section 7436 issues.

Backup Withholding, Information Return Penalties

The examination of your employment tax returns as reflected on this report did not include an examination for employment tax purposes of whether any individuals should be treated as employees of the taxpayer for the purposes of Section 530 of the Revenue Act of 1978, as amended by Section 1122 of the Small Business Job Protection Act of 1996.

Examiner's Name

Danielle Englert

Area

Midstates

Cat. No. 41874S

www.irs.gov

Form **4666** (Rev. 03-2011)



Form <b>4668-B</b> (Rev. Mar. 2011)	Department of the Treasury — Internal Revenue Service <b>Report of Examination of Withheld Federal Income Tax</b> For withholding reported on Forms 1099 and W-2G.	Return form number 945
Name and Address of Taxpayer  Green Jacobson PC 8909 Ladue Rd Saint Louis, MO 63124	Employer Identification Number	Calendar Year 2015
Total tax plus penalty or (decrease) in tax  85,005.77		
Examination discussed with (Name and title)  David Sosne, Trustee	<input checked="" type="checkbox"/> Agreed (Subject to acceptance by the Director)  <input type="checkbox"/> Unagreed	

**Summary of Changes to Federal Income Tax Withholding****Adjustment to taxes withheld under IRC 3402(o) through 3402(r) and 3405**

(a) Description of Payment Subject to Tax	(b) Code Section	(c) Tax Rate	(d) Payments	(e) Tax
1.				
2.				
3.				
4.				
5.				
6. Non-wage taxes withheld but not reported				
7. Other adjustment to non-wage withholding				
8. Total adjustment to non-wage withholding (Total of Lines 1(e) through 7(e))			IRS Ref. 003	

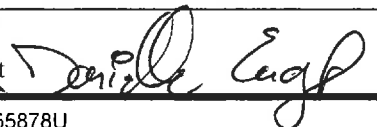
**Adjustment to backup withholding**

(a) Description	(c) Tax Rate	(d) Payments	(e) Tax
9. Payments subject to backup withholding under IRC 3406	28.00%	230,868.45	64,643.17
10. Payments subject to backup withholding under IRC 3406			
11. Taxes withheld under IRC 3406 but not reported			
12. Other adjustment to backup withholding			
13. Total adjustment to backup withholding (Total of Lines 9(e) through 12(e))		IRS Ref. 008	64,643.17

**Summary of adjustments to tax and penalties**

14. Delinquent tax or increase (decrease) in tax (Line 8(e) plus Line 13(e))	64,643.17
15. Penalty code section 6651(a)(1)	14,544.71
16. Penalty code section 6651(a)(2)	5,817.89
17. Penalty code section 6656	
18. Penalty code section	
19. Total penalties (sum of Lines 15 through 18)	20,362.60
20. Maximum tax available for abatement under IRC 3402(d)	64,643.17

Form 2504, non-section 7436 issues

Examiner's Name Danielle Englert 	Group Number 1217	Area Midstates	Date 7/26/2017
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Name of Taxpayer:	Green Jacobson PC
Identification number:	

**EXPLANATION OF THE DELINQUENCY PENALTY - IRC 6651(a)(1)**

Since your non-wage withholding tax return was not filed within the time limit prescribed by law and you have not shown that such failure was due to reasonable cause, an addition to the tax is charged as shown below, in accordance with Section 6651(a)(1) of the Internal Revenue Code.

1. Tax period ended	12/31/2015
2. Date return due	1/31/2016
3. Date return filed	7/25/2017
4. Number of months delinquent	18
5. Failure to file rate (Line 4 x 5%, max 25%); (if fraudulent failure to file, Line 4 x 15%, max 75%)	25.0%
6. Tax shown on return	
7. Adjustment to tax (Form 4668-B, Line 14)	64,643.17
8. Total corrected tax liability (Line 6 plus Line 7)	64,643.17
9. Timely deposits	
10. Net amount due (Line 8 less Line 9)	64,643.17
11. Gross Failure to File Penalty (Line 5 x Line 10)	16,160.79
12. Failure to Pay penalty running concurrently	1,616.08
13. Net Failure to File Penalty (Line 11 less Line 12)	14,544.71
14. Failure to file penalty previously assessed	
15. FTF penalty previously waived for FTP running concurrently	
16. Additional Failure to File penalty (Line 13 less (sum of Lines 14 +15))	14,544.71

Name of Taxpayer: Green Jacobson PC  
Identification number:

**EXPLANATION OF THE DELINQUENCY PENALTY - IRC 6651(a)(2)**

Since your non-wage withholding tax return was not filed within the time limit prescribed by law and the tax was not paid, and you have not shown that such failure was due to reasonable cause, an addition to the tax is charged as shown below, in accordance with Section 6651(a)(2) of the Internal Revenue Code

1. Tax period ended	12/31/2015
2. Date return due	1/31/2016
3. Date to which tax is computed	7/25/2017
4. Number of months delinquent	18
5. Failure to pay rate (Line 4 x 0.5%, max 25%)	9.0%
6. Delinquent tax (Form 4668-B, Line 14)	64,643.17
7. Timely deposits	
8. Net amount due (Line 6 less Line 7)	64,643.17
9. Failure to Pay Penalty, if no payments after the return due date (Line 8 x Line 5)	5,817.89
10. Failure to pay penalty (from penalty computation schedule)	

The amount appearing as the Failure to Pay penalty in Line 9 or Line 10 only reflects the addition to tax under Internal Revenue Code section 6651(a)(2) through the date shown on Line 3. This addition to tax will continue to accrue from the due date of the return at a rate of 0.5 percent each month, or fraction thereof, not exceeding 25 percent.

Name of Taxpayer:	Green Jacobson PC
Identification number:	

**EXPLANATION OF THE FAILURE TO DEPOSIT PENALTY - IRC 6656**

Since you failed to timely make deposits of non-wage withholding tax as required by law and regulation, and you have not shown that such failure was due to reasonable cause, an addition to the tax is charged as shown below, in accordance with Section 6656 of the Internal Revenue Code.

1. Tax period ended	12/31/2015
2. Tax shown on return	
3. Additional tax required to be deposited	
4. Total corrected tax liability (Line 2 plus Line 3)	0.00
5. Timely deposits	0.00
6. Undeposited amount (Line 4 less Line 5)	
7. Total Failure to Deposit Penalty (Line 6 x 10%)	0.00
8. Failure to Deposit Penalty previously assessed	0.00
9. Additional Failure to Deposit Penalty (Line 7 less Line 8)	
	0.00